

EXHIBIT E



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RICK SNYDER
GOVERNOR

R. KEVIN CLINTON
STATE TREASURER

March 12, 2014

Via E-mail

**MICHIGAN DEPARTMENT OF TREASURY
MICHIGAN FINANCE AUTHORITY
(ON BEHALF OF THE CITY OF DETROIT AND THE DETROIT WATER AND
SEWERAGE DEPARTMENT)
REQUEST FOR PROPOSAL FOR UNDERWRITING SERVICES**

Dear Sir/Madam:

The Michigan Department of Treasury (“Treasury”) and the Michigan Finance Authority (“MFA”), on behalf of the City of Detroit (“City”) and Detroit Water and Sewerage Department (“DWSD”) are publishing this Request for Proposals (“RFP”) from investment banking firms interested in serving as a senior manager or co-manager for a revenue bond issue of approximately \$150 million to fund ongoing capital improvements under a capital improvement plan approved by the DWSD Board of Water Commissioners; resources from the State Revolving Fund are also being considered for these purposes, which may impact the borrowing amount pursuant to this request for underwriting services. In the context of the City’s filing for bankruptcy protection under Chapter 9, its anticipated exit in fall 2014, and the potential creation of a regional water authority, a possible restructuring of DWSD’s outstanding debt portfolio may be considered.

We plan to review qualifications and RFP responses in connection with one or more proposed issues anticipated to be scheduled for closing on or before June 30, 2014.

Firms submitting proposals in response to this RFP should indicate whether they are interested in serving as senior manager or co-manager. Only candidates for senior manager for the proposed transactions need to respond to Section E. Candidates for senior manager not selected for the book-running position may be considered for co-manager.

A selection committee will use the responses to this RFP to evaluate the qualifications of firms responding. The selection committee will also evaluate the firm’s degree of critical understanding of DWSD’s operating environment and financial goals as well as the ability to serve the needs of the MFA and DWSD in general. Once the selection committee has evaluated qualifications and made a recommendation, the appointment of managing underwriter(s) will be approved by the MFA after consultation with DWSD and the Emergency Manager.

The MFA reserves the right to extend or terminate any underwriting engagement at any time during its term. Selection of a firm or firms for future MFA issues will be made as those issues

are scheduled. Omission from appointment as managing underwriter on a financing does not preclude consideration for any future MFA issues. Conversely, selection as managing underwriter for a bond or note issue does not assure any role in future financings.

PROPOSAL REQUIREMENTS

If your firm is interested in serving as senior manager or co-manager in connection with the proposed issue, please submit four (4) hard copies of your response to the enclosed RFP no later than 1:00 p.m. EDT on March 25, 2014 to:

*John Barton
Director, Authority Finance Division
Michigan Department of Treasury
430 W. Allegan
Lansing, MI 48922
(517) 335-0994*

At the same time, one (1) hard copy must be submitted to each of the following individuals:

*Alfred V. Diebel
Treasury Manager
Detroit Water and Sewerage Department
735 Randolph, Suite 1900
Detroit, MI 48226
(313) 224-4771*

*Anne Burger Entrekin
Managing Director
FirstSouthwest
70 NE Loop 410, Suite 710
San Antonio, TX 78216
(210) 308-2204*

Electronic versions of your response must be received by 1:00pm EDT on March 25, 2014 to:
Treas_BondFinance@michigan.gov.

Proposals must be structured to answer the questions contained in the enclosed RFP. Brevity in your response will be appreciated; please limit your overall response to the page count restrictions indicated within each section of the RFP. The page count restrictions assume single side forinatting and exclude appendices and a cover letter of up to two pages, which should provide an executive summary of your proposal.

No further information on the nature or schedule of future MFA issues is available at this time. Technical questions with respect to this RFP must be directed by email to Anne Burger Entrekin, Managing Director, FirstSouthwest, anne.burgerentrekin@firstsw.com no later than 1:00 p.m.

EDT on March 18, 2014. Every effort will be made to answer all questions by close of business on March 20, 2014. Each question and answer will be shared with all RFP recipients who acknowledge receipt of this RFP and indicate their intent to respond. Interested firms should not directly contact any employee, elected official, member, or agent of Treasury, MFA, the City, DWSD, or credit rating agencies concerning this RFP.

Firms are advised that Treasury, MFA, the City, and DWSD are public agencies and their records, including statements in response to this RFP, are public records. The entities reserve the right to retain all submitted materials; to withdraw this RFP, or any part of this RFP; to reject any and all responses and to waive any irregularities with respect thereto; to waive any requirements of this RFP; and to modify or amend, with the consent of the respective firm, any provision of the RFP.

The entities reserve the right to seek additional information from all respondents and to select finalists for possible interviews. If interviews are held, finalists will be advised of the date and time of their interview which will be held in Detroit, Michigan. Interviews via conference call may also be held. Treasury, MFA, the City, and DWSD shall not be responsible for any costs incurred by firms in the submission or presentation of their proposals. Thank you for your interest in this undertaking. We look forward to receiving your proposal.

Sincerely,



John Barton
Director, Authority Finance Division

Enclosure

cc: Tom Saxton, Chief Deputy Treasurer, Michigan Department of Treasury
Anne Burger, FirstSouthwest
Sue McCormick, Director, Detroit Water and Sewerage Department
Kevyn Orr, Emergency Manager City of Detroit

**MICHIGAN DEPARTMENT OF TREASURY ("Treasury")
MICHIGAN FINANCE AUTHORITY ("MFA" or "Authority")
(ON BEHALF OF THE CITY OF DETROIT ("City") AND THE DETROIT WATER
AND SEWERAGE DEPARTMENT ("DWSD"))
REQUEST FOR PROPOSAL FOR UNDERWRITING SERVICES**

QUESTIONS

A. PRINCIPAL CONTACTS – 2 PAGE LIMIT

1. State the full name, mailing address, telephone number, facsimile number, and any other electronic mail addresses of the primary contact person from your firm and the principal author of this submission. Include the professional members of your firm who will be assigned to this undertaking on a full-time priority basis. Provide brief resumes for each and explain the responsibilities that he/she would assume for this undertaking. The resumes may be included in the appendix.
2. All firms submitting proposals may be considered for the position of co-manager. Please state your firm's interest in being considered for senior manager. (Note: only firms requesting to serve as senior manager must respond to the questions in Section E).
3. If your firm intends to use the services of any other investment banking, brokerage, financial advisory, specialty firms, or other non-employee professionals in the context of this engagement, please list the names and affiliations of any such individuals or firms, state the services to be provided by such firms or individuals, and provide details regarding any such arrangements.

B. OWNERSHIP, MICHIGAN PRESENCE, STRUCTURE AND STAFFING – 1 PAGE LIMIT

4. Briefly describe the firm's ownership structure, location, and organization. Detail any significant changes in ownership, location, and organization since January 1, 2013 As part of your response, please note:
 - a. Any significant changes in the structure or staffing of your Public Finance Department, Municipal Bond Department, or Municipal Sales Force.
 - b. Any material changes in your firm's financial condition or its commitment to municipal finance.
5. While not determinative in the selection process for this undertaking, describe your firm's Michigan presence, if any, and any changes to such that have occurred over the last two years or are anticipated to occur over the next 12 months. State the

number of full-time employees from your firm that are currently based in Michigan, the location of your offices here, and the number of FINRA registered representatives you employ at each office.

6. Summarize your firm's current capital base. Indicate the total amount of capital, the portion of which is equity and debt, and the amount of the firms' excess net capital based upon SEC uniform reporting requirements.

C. UNDERWRITING – 2 PAGE LIMIT

7. Please provide a summary of negotiated municipal bond issues, highlighting your firm's experience with negotiated regional public utility system bond issues including those with sub-investment grade credit ratings and/or in the context of bankruptcy proceedings, both in Michigan and other geographic markets, in which your firm served as senior or co-managing underwriter since January 1, 2010. As an appendix, include a detailed listing of the issuer names, bond ratings, par amounts, sale dates, and your firm's participation and sales performance for each of the aforementioned public utility issues including liability, orders, allotments, designations, and "going away business" for each of the foregoing listed bond issues.
8. Describe your retail and institutional sales capability for Michigan tax-exempt securities.
9. List any state or local Michigan government issuers that have engaged your firm as senior managing underwriter for financing(s) expected to close by June 30, 2014.

D. REPRESENTATIONS AND REFERENCES – 1 PAGE LIMIT

10. Please provide three (3) references from issuers that can attest to your firm's capabilities and your firm's retail and institutional sales performance in recent municipal bond transactions. If your firm is interested in serving MFA as senior managing underwriter, at least one reference must be a Michigan issuer.
11. Describe any investigations by the Securities and Exchange Commission, or any other regulatory body or court, or pertinent litigation regarding the conduct of your firm, its management, and public finance/municipal bond department(s). Indicate whether your firm is in compliance with the State of Michigan's Executive Order 2003-1. The Executive Order can be viewed on the State's web site at www.michigan.gov. In addition, please provide a statement indicating that your firm has adopted and is adhering to the principals set forth in the agreement reached between Merrill Lynch & Co., Inc., and New York State Attorney General Spitzer, dated May 21, 2002. Detailed descriptions may be included as an appendix.

12. Describe any existing or potential conflicts of interest your firm might have in the course of service as underwriter to the MFA on behalf of the DWSD and the City. Responses should take into consideration your firm's ownership of, or services provided with respect to, outstanding DWSD and City debt and/or derivative transactions, including the potential for adjustment of such debt and/or derivative transactions pursuant to the City's draft Plan of Adjustment.
13. Describe any other conflict of interest related to your current business relationships with any entity or individual that may arise to affect your service to MFA; detail may be included as an appendix.

E. QUESTIONS FOR PROSPECTIVE SENIOR MANAGERS – 6 PAGE LIMIT

14. MFA is contemplating a revenue financing on behalf of DWSD of approximately \$150 million anticipated to close on or before June 30, 2014; resources from the SRF are being considered, which may impact the borrowing amount. Please present your primary structuring recommendation **only**, which should include a present value analysis and detail of proposed fees, including underwriting expenses with the exception of underwriter's counsel.

Structuring Considerations

 - a. Interim financing or long-term transaction
 - i. If interim, please describe any particular considerations associated therewith.
 - b. Recommendation for a Public Offering or Private Placement
 - c. Anticipated spreads to MMD
 - d. Necessity and availability of credit enhancement
 - e. Marketing plan and proposed schedule, assuming closing on or before June 30, 2014
 - f. Other ideas and recommendations
15. Describe your firm's understanding of DWSD's operating environment and ability to serve the needs of the MFA and DWSD in general.
16. Please present any recommendations on restructuring DWSD's currently outstanding debt portfolio, taking into consideration the City's filing for bankruptcy protection under Chapter 9 and its anticipated exit in fall 2014 for both the potential creation of a regional water authority and DWSD remaining as a Department of the City. Recommendations should include all of the above factors, as well as a present value savings analysis. Please include in the discussion your firm's assessment of the existing indenture and any considerations for modifications should a restructuring occur. What potential rating implications would be associated with your firm's proposed restructuring?

17. List transactions, experience or engagements of your firm with any issuer, municipality, municipal enterprise, utility or authority involved in bankruptcy proceedings, litigation regarding default or threatened default where underwriting or related services were provided.
18. Please indicate your firm's willingness and capacity to utilize its balance sheet to facilitate or achieve the goals of the MFA, the City and DWSD with respect to this undertaking.
19. Under separate cover (excluded from page limit), provide two (2) hard copies of your firm's most recent audited annual statement of financial condition and a financial statement from your most recent quarterly reporting period. Please do not include this information in your firm's electronic version.

F. CONCLUSION – 1 PAGE LIMIT

20. Please discuss any other factors, ideas, or recommendations that you believe should be considered by Treasury, MFA, DWSD, and the City, either in the structure of its proposed undertaking , whether public offering or private placement, or as to your selection as an underwriter on the proposed undertaking.